

## Solon Springs Mercantile



Ken and Meg Thoreson purchased Solon Springs Hardware, located in Solon Springs, in 2002. The Thoreson's are affiliated with United Hardware/Hardware Hank, a Minneapolis based hardware co-op. United Hardware encourages individuality for its member dealers. The Thoreson's took this idea and ran with it. They set out to create a store which is unique to its market. The store

has been renamed Solon Springs Mercantile and is a general store for the 21<sup>st</sup> century that incorporates many diverse wares within its product mix that includes hardware, sporting goods, rental equipment and outdoor power equipment. Dozens of Hardware Hank dealers toured the "store" since it opened to gather ideas for their own expansions/remodels. They are drawn to the open design the Thoreson's created and their creative use of custom designed store signage.

After purchasing the business, the Thoreson's immediate focus was on facility changes and inventory additions. They expanded their space by a 1,000 sq. ft warehouse and a rental equipment service. The business experienced immediate and continued growth. Sales have increased and customer count was 5,129 in May of 2002 and in May of 2005, the count was 6,425. They started out with five employees that grew to fifteen by May of 2005.

In the spring of 2004, Ken and Meg had big plans. Their storefront remodeling was slated to begin in a couple of months and they had just won the Douglas County Business Plan contest making them eligible for a zero-interest loan for the project. Tragedy struck on June 25<sup>th</sup> when a fire leveled their store, wiped away two years of hard work, and challenged them to rethink their future as entrepreneurs. Customers of the Thoreson's rallied around them after the fire and encouraged them to build a new store because the old one had held a special community wide significance.

Fortunately, Ken and Meg's insistence on having a sound business plan paid off in many ways. Their insurance company could see how the business had grown since the take-over. With solid business interruption coverage, they were able to continue to pay five key employees while they worked on the plans for a new store. The existing plan helped them reconstruct their financial records so they could create forecasts for the new facility. Through persistence and "many sleepless nights", the Thoreson's acquired land in the Solon Springs Business Park that was eligible for tax increment financing.

They were able to secure financing through a local lender and the SBA 504 program and broke ground on a new, bigger, highly visible building in October of 2004. The new store opened in April of 2005 – nine months after the fire had shut down their business.

The Thoreson's new store is an extension of the existing store they rejuvenated after they purchased it in 2002. At that facility, they upgraded computer systems to allow for better inventory control and reporting, they added rental equipment to draw customers from a wider radius, they increased their offerings of Stihl power equipment to add legitimacy to their new reputation as a DIY center, and eventually added custom cabinetry to better serve area contractors.

The Thoreson's enjoy giving back to their community. Ken volunteers with the Solon Springs Lions Club and both Meg and Ken volunteer many hours for the Empire Dog Race. They were both instrumental in founding the four-year-old Lake Superior Dragon Boat Festival. Meg is active in Rotary where she helped charter a new club in Superior and is currently serving as vice-president and she is serving a three-year term on the Solon Springs Development Commission. Solon Springs Mercantile donates literally thousands of dollars of merchandise annually to community events. The "store" has donation criteria that include giving to activities that aid in developing strong, independent youth or promoting arts and culture within the region or supporting life-long learning.

Meg won a 2005 Women in Leadership Award for her significant volunteer and community achievements. The Thoreson's and Solon Springs Mercantile have won Wisconsin's SBA 2006 Emerging Small Business Person Award. This award is given to a business with fewer than 25 employees, under \$2.5 million in sales and less than 10 years in business. They are rated on the consistent overall growth (both in number of employees and sales growth), innovativeness of product/service, and response to adversity and contributions to the community.

Solon Springs Mercantile's mission statement is to *provide the northwestern Wisconsin community with increased quality of home and leisure life through the sale of diverse products and reliable services while supplying a beneficial source of employment and growth opportunity to area workers.* Solon Springs Mercantile and the Thoreson's are a shining example of retail vitality and an encouragement to other businesses in their community. Their enthusiasm for business and community development has made a significant impact on their community. SBA is proud to have played a part in the success of Solon Springs Mercantile and applauds their winning our Emerging Small Business Person Award for 2006.